



DBAG EXPANDS
FINANCING SOLUTIONS
THROUGH PARTNERSHIP
WITH ELF CAPITAL

ANALYST PRESENTATION

18 SEPTEMBER 2023

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Strategic expansion and diversification...

- › Strategic entry into private debt investing for DBAG
- › Enables both equity and debt solutions to be offered to mid-market companies - DBAG and ELF Capital complement each other perfectly
- › Diversification strengthens DBAG's asset management
- › Perspectively reduces volatility of earnings

...opens up new growth opportunities

- › Opens up new scale opportunities for the combined platform
- › Serving a significant market opportunity by filling a financing gap for mid-market companies in need of flexible debt or equity financing
- › Improves access to channels of capital formation with high growth potential

WHY NOW?

SIGNIFICANT FURTHER DEVELOPMENT

- › Enabling financing solutions across entire capital structure
- › Common focus on mid-market companies

ASSET CLASS PRIVATE DEBT INCREASINGLY ATTRACTIVE

- › Debt funds play growing role in financing, taking share from banks
- › Current yield environment increasingly attractive to investors

EXTENDS NETWORK TO MID- MARKET COMPANIES, DRIVING GROWTH

- › Both partners contribute attractive and complementary networks
- › Co-investment allows for faster growth, seizing opportunities in credit markets

ENHANCES CAPITAL FORMATION CAPABILITIES, STABILIZES EARNINGS

- › LPs benefit from expansion of investment opportunities
- › Driving fee income growth in mid-term, reducing volatility

Our structuring options

Private Debt

- › Market leading companies
- › profitable
- › DACH
- › Credit investment of **10 to 50 million euros**
- › Holding period up to **5-7 years**
- › Senior + Flexible structures

Management Buy-outs (MBOs)

- › Management Buy-outs alongside the DBAG Funds
- › Equity investment of **40 to 220 million euros**
- › Holding period up to **five years**
- › Occasions
 - › Mainly majorities

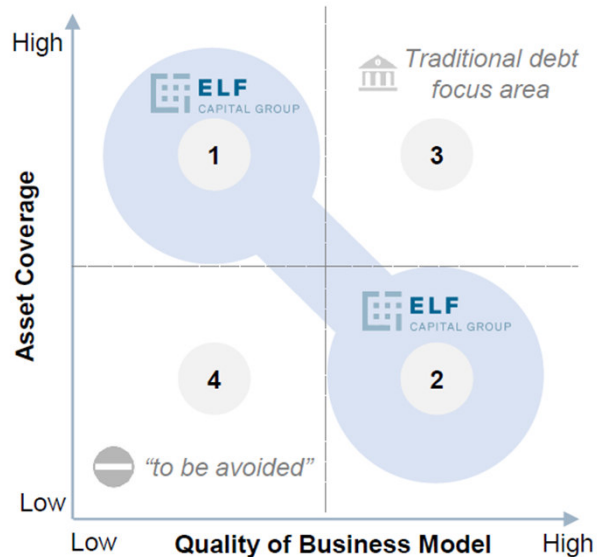
Long-Term Investments

- › Investments exclusively using DBAG's own financial resources
- › Equity investment of **15 to 35 million euros**
- › Holding period above **seven years**
- › Mainly family-owned businesses
- › Occasions
 - › Growth
 - › Change of ownership

Small Management Buy-outs (ECF)

- › Small- to mid-market Management Buy-outs
- › Initial Equity-Ticket of **10 to 40 million euros, up to 60 million euros** with follow-on capital increases (e.g. for add-on acquisitions)
- › Occasions
 - › MBOs / Carve-outs
 - › Capital increases
 - › Majority investments; minority structures in exceptional cases

ELF Capital vs. Traditional Debt



- 1 Competitive business models with large margin of safety
- 2 Asset-light, yet high-quality businesses
- 3 Strong businesses with significant asset value; competitive financing processes, resulting in weak debt documents
- 4 Challenging businesses with little asset value; limited margin of safety; to be avoided by credit investors

Leadership Team



Christian Fritsch
Managing Partner

- ESO, Lazard, Anchorage, Cerberus
- >25 years of experience

- Longstanding track-record in sourcing, structuring & executing investments across the capital structure
- Senior positions with top alternative investment funds in German-speaking Europe



Florian Wimpff
Investment Director

- ESO, Herter & Co
- >10 years of experience

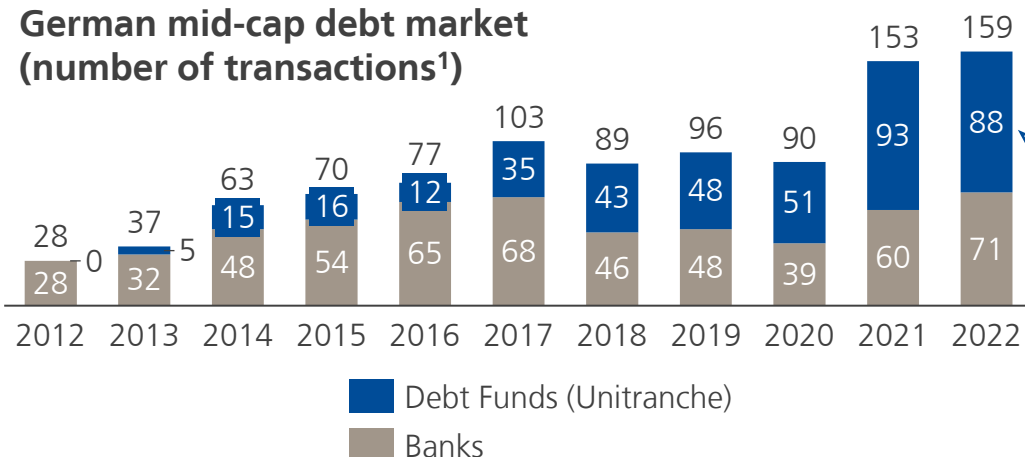
- Strong track-record of structuring and executing mid-market debt and restructuring transactions across a diverse range of situations (LBO, distress, special situation, corporate, HYB, asset backed)

Strategic and cultural fit

- › ELF Capital's corporate culture is in line with DBAG's core values: excellence, integrity, respect, transparency and openness.
- › Both companies have grown organically and focus on mid-market companies.

MARKET: STRONG GROWTH MOMENTUM OF PRIVATE DEBT INVESTMENTS

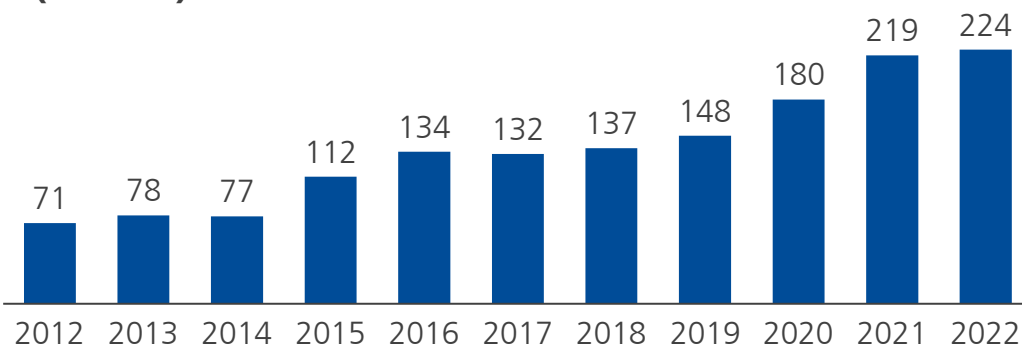
German mid-cap debt market (number of transactions¹)



Growing importance of Debt Funds vs Banks in mid-cap lending



Global private debt fundraising (USD bn)



Global LP appetite for private debt has been growing

Private debt's attractiveness for investors in volatile markets driven by its current yield and its senior position in the capital stack

Source: Houlihan Lokey, Preqin; ¹excluding Debt Funds (Senior)



FINANCIAL TERMS OF TRANSACTION

DBAG is acquiring a majority stake in ELF Capital.
The parties have agreed not to disclose the purchase price, which is tied to key business performance metrics
▶ ELF Capital's AuM comprising roughly 200 million euro at the current stage



MANAGEMENT

▶ ELF Capital will be lead by Managing Partners Christian Fritsch and Florian Wimpff together with DBAG Board Members Tom Alzin and Jannick Hunecke.



FINANCIAL IMPACT

▶ First-time consolidation is planned for the first quarter of the financial year 2023/2024. No meaningful impact on financial year 2022/2023 expected.